

**Virginia Land Conservation Foundation
Board of Trustees
Wednesday, June 7, 2006 – 10:00 a.m.
Providence Forge, Virginia**

Virginia Land Conservation Foundation Board of Trustees Members Present

Vice Chair: The Honorable Patricia S. Ticer

Executive Secretary: Joseph H. Maroon, Director, Department of Conservation and Recreation

Nicole M. Rovner for the Honorable L. Preston Bryant, Jr., Secretary of Natural Resources

Margaret Davis

Albert C. Weed, II

Lou Giusto

Terri Cofer Beirne

William C. Dickinson

Thomas B. Graham

Mary Bruce Glaize

R. Brian Ball

Wendell P. Ennis

Alexandra Liddy Bourne

L. Clifford Schroeder, Sr.

Virginia Land Conservation Foundation Board of Trustees Members Not Present

Nancy T. Bowles

Bonnie Moorman

Albert Essel

Leah Fried

The Honorable R. Creigh Deeds

State Agency Staff

James Adams, Department of Game and Inland Fisheries

Timothy J. Bishton, Department of Conservation and Recreation

Ryan Brown, Office of the Attorney General

John R. Davy, Department of Conservation and Recreation

David C. Dowling, Department of Conservation and Recreation

Michael R. Fletcher, Department of Conservation and Recreation

J. Michael Foreman, Department of Forestry

Bob Lee, Virginia Outdoors Foundation

Jeffery Madden, Virginia Marine Resource Commission

Pam Mason, Virginia Institute of Marine Science

W. Gerald Massengill, Department of Game and Inland Fisheries

Maribel E. Ramos, Office of the Governor

Sarah Richardson, Department of Conservation and Recreation

Thomas L. Smith, Department of Conservation and Recreation

Elizabeth Tune, Department of Historic Resources

David Whitehurst, Department of Game and Inland Fisheries

Others Present

David Phemister, The Nature Conservancy

Jack Ticer, Alexandria

Call to Order

Senator Ticer called the meeting to order and declared a quorum present. She thanked the Department of Forestry for hosting the meeting. She recognized Bob Lee of the Virginia Outdoors Foundation and Colonel Massengill with the Department of Game and Inland Fisheries.

Approval of Minutes

MOTION: Mr. Ball moved that the minutes of the December 1, 2005 meeting be approved as submitted.

SECOND: Ms. Glaize

DISCUSSION: None

VOTE: Motion carried unanimously.

Financial Report

Mr. Bishton gave the financial report. A copy of the financial report is available from DCR. Total liabilities and equity are \$12,137,576.

Mr. Dickinson asked when disbursements would be made. Mr. Bishton said that when the grantee completes their acquisition the paperwork is then submitted to DCR. Ms. Richardson said that from the time the grant is awarded, recipients have two years to complete the work. The negotiation can take some time.

Mr. Dickinson asked if there was a risk of a rescission for funds that are allocated. Mr. Bishton said that when reversions happened previously, the awarded grants were not affected.

Mr. Dickinson asked where the funds were invested. Mr. Bishton said the funds were invested by the Department of Treasury in a variety of accounts with a rate of earning of 3-4%.

Executive Secretary's Report

Mr. Maroon gave the Executive Secretary's report. He referenced an editorial in the *Richmond Times-Dispatch* on June 7 entitled "The Dead Zone" that references a recent report on the condition of the Chesapeake Bay. The editorial is available at the following link:

http://www.timesdispatch.com/servlet/Satellite?pagename=RTD%2FMGArticle%2FRTD_BasicArticle&%09s=1045855934983&c=MGArticle&cid=1149188288570&path=%21editorials

Mr. Maroon said the editorial was helpful to read with regard to meeting some of the Chesapeake Bay goals.

VLCF Budget Info

Virginia Land Conservation Fund

- At this point, VLCF is slated to receive \$2.5 million for each year of the upcoming biennium (07 and 08). This was the amount in the base budget for the past biennium and was included in Governor Warner's outgoing budget proposal and supported by Governor Kaine. Everything is subject to final outcome of ongoing budget deliberations by legislative negotiators. There was an additional \$10 million deposit made to the VLCF fund last year that allowed the board to award several more grants.
- The VLCF should also continue to receive perhaps an additional \$350,000 from the one-dollar vehicle registration fee after the first \$6 million collected goes for other purposes. Governor Warner's introduced budget also included language amendment effective January 2008 to direct the \$6 million currently being deposited into the Virginia 400th Anniversary Fund to be utilized by DMV for computer upgrades. Any collections in excess of \$6 million would continue to be deposited into the Virginia Land Conservation Fund. Last year, that amounted to around \$350,000.

2006 General Assembly Session

SB 243 Vehicle registration fees; additional fee to support the Virginia Land Conservation Fund. (Senator Ticer)

At the last meeting, the trustees voted to support the introduction of legislation that would shift the entire amount of the \$1 vehicle registration fee to the VLCF beginning January 1, 2008, when the current fee is slated to sunset unless continued by the legislature. Vice-chair, Senator Ticer introduced Senate Bill 243 during the 2006 Session to address this request. Had it been successful, that bill would have placed \$6 million more into the fund each year. Unfortunately, the bill was not passed but rather was carried over to the 2007 session.

SB 238 Land Conservation Fund; unrestricted funds to be allocated equally for certain uses. (Senator Ticer and Delegate Hull)

Senator Ticer also introduced a second bill that would have affected the Foundation's work. SB238 as introduced, specified that 75% of the Virginia Land Conservation Foundation's unrestricted funds would be allocated equally to the following five uses: (i) natural area protection, (ii) open spaces and parks, (iii) farmlands preservation, (iv) forest preservation, and (v) historic preservation. Currently, 75% of the unrestricted funds are allocated for four uses, with farmlands and forest preservation combined as one use.

During the Session, this bill was amended to reduce the 25% current payment to VOF to a lesser amount so that with the addition of a separate grant funding category that no grant category would have a reduction in funding (90% categories and 10% to VOF). (Final version under consideration would have divided the funding equally between 6 uses with VOF being one of the uses ~16.7% each).

However, given that there was no consensus on the bill, Senator Ticer asked that the bill be stricken for the session.

Tax-credit Legislation

- In other legislative news, there were a number of other related bills introduced that would have affected land conservation efforts and this board.
- The most significant would have changed the state's preservation land tax credit program, whose benefits have spurred a considerable amount of new conservation easements over the past few years.
- This became one of the most hotly debated conservation issues of the session.
- Five bills on the subject were introduced (HB449, HB450, HB533, SB93, and SB403).
- Major differences between the primary House proposal (HB450 – Delegate Lee Ware) and the primary Senate proposal (SB93 – Senator Watkins) focused on the following key issues:
 - 1) Whether and at what level to place a cap on the overall land tax credits allowed per year. (The House reportedly supported the current expenditures which may exceed \$100 million annually. The Senate reportedly preferred to see the program capped at around \$40 million.)
 - 2) Caps on individual transactions
 - 3) Tax credit program oversight/ administration
 - 4) Availability of tax credits for historic structures
- None of the related tax credit bills passed this Regular Session. Consequently, the existing land preservation tax credit program remains the same.
- Beyond the legislative venue, there was a possibility that this matter would be resolved in the budget talks between the House and Senate during the Special Session as the Senate version of the budget contained a version of SB93, Senator Watkins bill. During recent discussions in the last week, this language was removed from the Senate's budget proposal. So, while at this point, it appears that the House and Senate will fail to reach an agreement on any changes this year, this issue is likely to continue to be debated for some time.
- Governor Kaine has announced his support for the existing tax credit as an integral part of his goals so he will have a voice in the final outcome as well.

Governor's Environmental Speech

Mr. Maroon shared a copy of Governor Kaine's remarks at the 17th Annual Environment Virginia Symposium April 20, 2006 at the Virginia Military Institute. A copy of the Governor's remarks are available from DCR.

The Governor noted that as of June 30, 2005, Virginia still had 358,000 acres to go with regard to the Chesapeake 2000 Agreement to permanently protect 20% of the Chesapeake Bay Watershed by 2010. In the last 5 years, Virginia has protected an average of 54,000 acres per year statewide, counting both public and private efforts. About 72,000 annually are needed just to meet the Chesapeake Bay goal.

Governor Kaine committed to meet and surpass that goal and established a goal of protecting an additional 400,000 acres by the end of the decade. Mr. Maroon said the state will rely heavily upon the open-space protection tools that have served Virginia well: the land preservation tax credit and the Virginia Land Conservation Foundation.

Mr. Maroon said that Ms. Rovner would provide more details on the initiative.

Strategic Planning

Mr. Maroon said that every agency in state government is currently updating its strategic plan and refining its performance measures. For the first time, there are likely to be more links between agency plans and the budget and the plans will be open to view by the public.

DCR has added two measures that address the state's land preservation goal as follows:

- **Measure 50401.01.01**
Number of acres preserved towards the 400,000-acre statewide land conservation goal.

Measure Baseline: 54,000 acres annually

Measure Target: 100,000 acres annually

Measure Source and Calculation: The number of acres permanently preserved from development between July 1, 2005 and December 31, 2009 will be tracked by DCR utilizing its conservation lands database.

- **Measure 50301.01.02**
Percentage of land preserved towards the 20% Chesapeake Bay watershed goal.

Measure Baseline: 17.4 % as of June 30, 2005

Measure Target: 0.6% increase annually [18% by June 30, 2006]

Measure Source and Calculation: The number of acres permanently preserved from development will be tracked by DCR utilizing its conservation lands database.

Governor's Land Conservation Goal

Ms. Rovner gave an overview of the Governor's Land Conservation Goal announced at VMI.

She reiterated the Governor's remarks acknowledged that Virginia is far behind other state partners. The Governor has asked the Secretary of Natural Resources to develop a plan to meet his goal of 400,000 additional acres by the end of the decade.

The Governor has noted that there are also important lands to protect outside the Chesapeake Bay Watershed. Primary tools will be conservation easements but also the acquisition of additional public lands. That would include more state parks, more natural area preserves, more state forests and more wildlife management areas.

Ms. Rovner said the work of the VLCF is key to achieving those goals. She noted that the July 1, 2005 date was important because it gave the state a head start on working toward the goal. There are many land deals in the works including new parks, new natural areas, and there are more on the way.

However, she noted that Virginia will have to double our efforts to protect land.

Secretary Bryant has pulled together an ad hoc group of leaders from conservation organizations, attorneys in land conservation transactions, and other professionals. In addition Mr. Maroon has assembled a group of agency heads involved in land conservation.

Based on the input received thus far, key needs are for funding and the protection of the land preservation tax credit.

Mr. Weed asked, in regard to the 400,000 acre goal, if 358,000 acres are needed in the Bay area then is the state only looking at 42,000 in the rest of the state.

Ms. Rovner said that the commitment is to meet the Chesapeake Bay goal, but the Governor is committed to land protection, and projects will not be excluded just because they are outside of the Bay watershed.

Discussion of Future Grant Round and Timing

Mr. Maroon noted that with the ongoing budget negotiations it would be premature to establish a grant round. Therefore staff are suggesting an August meeting of the board, at which time staff would present a suggested grant round schedule. There also would be the possibility of a December meeting if more funding was available before the end of the year.

Proposed Changes to Grant Manual and Scoring Criteria

Ms. Richardson presented an overview of the proposed changes to the grant manual. The manual with draft changes is available at the following link:

<http://www.dcr.virginia.gov/vlcf/vlcfgrntmandrft.pdf>

Ms. Richardson noted that changes came in response to questions or problems in the previous grant rounds. Many changes came from DCR staff. The Interagency Task Force also suggested changes, but mostly with regard to the scoring criteria.

Mr. Maroon said that at the end of the presentation, staff would like to ask for concurrence and approval to put the changes out for public comment. The manual would be brought back at the next meeting for final approval.

Mr. Davy gave an overview of the changes to the scoring criteria.

MOTION: Ms. Bourne moved that the Board of Trustees approve the draft for the purposes of releasing for public comment and to authorize the staff to publish the draft as a working document for a 30-day comment period.

SECOND: Mr. Weed

DISCUSSION: None

VOTE: Motion carried unanimously

REVISED: 7/31/2006 11:59:02 AM

On-going Project Status Report

Ms. Richardson gave a status report about ongoing projects.

2001 grant round

Three projects were open at the last board meeting:

- One closed earlier this year – the Fairfax County Park Authority’s easements that were part of their Cross-County Trail.
- Another project is on the verge of closing – Mary B. Stratton property, which will provide recreational opportunities in Chesterfield County. All due diligence and paperwork has been completed, and we need only the signature of the Governor to close that project.
- The final project was the Middle Peninsula Land Trust’s acquisition in the natural areas category. At the board’s last meeting, they authorized MPLT to continue with that project.

2005 grant rounds

Two projects from the first of the two grant rounds last year have already been closed:

- The Nature Conservancy’s easement project on the Eastern Shore, Marks and Jacks Island, moved along quickly and closed last July.
- The Riveroak tract acquired by Trevilian Station Battlefield Foundation closed in February of this year.

Conservation Tools and Plans

Virginia Land Conservation Needs Assessment and Data Explorer Presentation

Mr. Smith, Division Director of DCR’s Natural Heritage Program gave a presentation regarding the Virginia Land Conservation Needs Assessment. Portions of this conservation tool have been completed utilizing VLCF administrative funding. A copy of the PowerPoint presentation is available from DCR.

Virginia Outdoors Plan

Mr. Davy gave an update regarding the 2007 Virginia Outdoors Plan. The survey again showed the public’s significant support for land conservation activities. A copy of the PowerPoint presentation is available from DCR.

Agency Updates

Department of Agriculture and Consumer Services

Ms. Richardson gave the VDACS report on behalf of Robins Buck.

The VDACS Office of Farmland Preservation remains unfunded, and it is not clear that it will be funded even when a budget is passed.

REVISED: 7/31/2006 11:59:02 AM

In the General Assembly, there were several line items in the Budget in both the Senate and the House for funding at the State PDR level (VDACS) to match local PDR funding at 50-50 or \$ for \$; as well as fund the Office of Farmland Preservation; both items in the Senate and House budget were stricken.

A separate line item to the tune of \$1,250,000 was for PDR State grants to localities (\$1M) who are developing and local PDR program plus \$250,000 to fund the Office of Farmland Preservation. As far as is known, this still remains alive depending on when and if a State budget is passed.

Department of Forestry

Mr. Foreman gave the report for the Department of Forestry. He welcomed members to the New Kent facility. The Forestry Center has been in New Kent for 52 years. The conference center and hotel area are recent additions. The center provides a hunting program for the physically challenged.

The Forest Legacy program is the U.S. Forest Service's program for land conservation. The program suffered a 50% reduction in the President's 07 budget.

In Virginia, DOF is working on four easements located in Amherst County, Warren County and two in King William County.

Department of Game and Inland Fisheries

Mr. Adams gave the report for the Department of Game and Inland Fisheries.

Cavalier

- ±3,800 acres in City of Chesapeake, ~2.5 miles east of the USFW Great Dismal Swamp NWR, access from Ballahack Road
- Total Project Costs ~\$4,200,000
- Purchased price was \$3,895,778.55; closing date was December 29, 2006
- Project partners were: US Fish and Wildlife Service through a North American Waterfowl Conservation Act (NAWCA) grant of \$300,000; a NAWCA grant awarded to The Nature Conservancy (TNC) of \$191,000; another grant administered by TNC, the VA Aquatic Resources Trust Fund of \$300,000; USFW Pittman-Robertson Wildlife Restoration funds of \$600,000; and USFW State Wildlife Grant funds of \$300,000.

Fray Tract

- The Wildlife Foundation of Virginia (WV) managed the project to secure ± 631 acres in Madison County and the Conservation Easement is jointly held with WV and DGIF
- The WV is currently managing the fee simple conveyance of ±550 acres of this easement as a gift to the DGIF from the WV. This adds to the current 10,326 acres in the Rapidan Wildlife Management Area.

Additional Projects

- DGIF is negotiating the purchase of ±345 acres in Louisa County with rights to manage an additional ±1,172 acres

- This month the City of Fredericksburg will be granting a Conservation Easement consisting of \pm 4,200 acres along the Rappahannock River. The grantees will be the Virginia Outdoor Foundation, The Nature Conservancy, and the Department of Game and Inland Fisheries.

Department of Historic Resources

Ms. Tune gave the report for the Department of Historic Resources.

In 2006 DHR is celebrating its 40th Anniversary. DHR educates the public about the importance of historic resources, archaeological as well as cultural. DHR also records and documents historic resources and provides technical assistance as well as financial incentives.

Current projects include:

- The Fredericksburg Riparian easement. DHR is not a coholder but is working with the owners in regard to the easement.
- DHR is working with Fairfax County on the potential development of the Lorton site.

The DHR easement program has easements on 394 properties and hopes to reach 400 by the end of the year. The program was recently expanded with the Virginia Outdoors Foundation to include battlefield properties.

Virginia Outdoors Foundation

Mr. Lee gave the report for the Virginia Outdoors Foundation. He said that VOF is stressing the themes of synergy, opportunity and urgency. He noted that the agencies must work together to achieve the Governor's goal. The agencies represented are a cohesive and cooperative team.

Mr. Lee said the Fredericksburg easement was a wonderful example. While VOF has been working on the easement for a number of years, what was needed was boats and badges that DGIF was able to provide.

Mr. Lee noted that in a recent *Washington Post* article Virginia was recognized as a national model for land preservation tax credits.

Virginia Marine Resources Commission

Mr. Madden gave the report for the Virginia Marine Resources Commission.

He noted that VMRC is not in the land business, but manages the marine resources of the Commonwealth. VMRC also manages the Virginia capes and islands along the Eastern Shore.

There is a private venture along the Northern Neck that embraces a new agriculture technology. Cages are immersed in shallow water with oysters. The cages protect the oysters which have a positive water quality impact by filtering the water.

Virginia Institute of Marine Science

Ms. Mason gave the report for the Virginia Institute of Marine Science. She noted that she reviews the shoreline applications. Ms. Mason said that it is important to get the message of land conservation out.

Department of Conservation and Recreation

Ms. Richardson gave the report for the Department of Conservation and Recreation. She noted that 2006 is the 70th Anniversary of DCR's State Park System. She also announced that DCR's Division of Natural Heritage was named the top natural heritage program in the Western Hemisphere by NatureServe, an international conservation group. The Land Conservation Office is publishing a directory of land trusts in Virginia and sponsored a workshop for land trusts at the Environment Virginia conference as part of DCR's outreach to the land trust community. In addition, DCR will be working closely with other agencies and conservation organizations to track the state's progress towards the Governor's goal of 400,000 acres.

Public Comment

There was no public comment.

Other Business

There was no additional business.

Next Meeting Date (August)

The next meeting of the Virginia Land Conservation Foundation Board of Trustees will be Wednesday, August 9, 2006 at the Library of Virginia in Richmond.

Adjourn

Respectfully submitted,

L. Preston Bryant, Jr.
Chair

Joseph H. Maroon
Executive Secretary